Honolulu, Hawaii

Rbnay 27 , 201

RE: H.B. No. 2041 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2041 entitled:

"A BILL FOR AN ACT RELATING TO FRANCHISES,"

begs leave to report as follows:

The purpose of this measure is to void franchise agreement provisions that restrict resolution of disputes involving an instate franchise to an out-of-state forum.

The Chamber of Commerce Hawaii and two individuals submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that selection-of-forum provisions that restrict dispute resolution to an out-of-state forum are boilerplate provisions that place the in-state franchisee at a great disadvantage in seeking a fair and equitable resolution of issues with the mainland franchisor. Much of this disadvantage results from the expense of traveling to the mainland for a resolution. These provisions also thwart the intent of Hawaii's franchise law, under which franchisors are required to be amenable to jurisdiction in the State.

Your Committee has amended this measure by changing the effective date to July 1, 2112, in order to facilitate further discussion on the measure.

HB2041 HD1 HSCR LRB 14-1483.doc

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2041, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2041, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,



ANGUS L.K. McKELVEY, Chair

State of Hawaii House of Representatives The Twenty-seventh Legislature

HSCR 662-14

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.:	Committee Referral:		Date: 02/19/14		
☐ The committee is reconsidering its pre-	vious decision on the	e measure.			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members		Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)		4-1-12			
2. KAWAKAMI, Derek S.K. (VC)					
3. BELATTI, Della Au				上上的公外出述	A HAROTT
4. BROWER, Tom					
5. CACHOLA, Romy M.					
6. CREAGAN, Richard					
7. EVANS, Cindy		010			
8. HAR, Sharon E.	above	01	Marin Spring Copy (
9. ITO, Ken					
10. LEE, Chris	agretina, communication and a surrigion of the communication of the comm		A disease of the second of the	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	
11. NAKASHIMA, Mark M.	14 21 21 21 2 2 2	IBAL			
12. OSHIRO, Marcus R.			·	The Committee of the Co	1838° 3 8 10 10 10 10 10 10 10 10 10 10 10 10 10
13. TSUJI, Clift					
14. YAMANE, Ryan I.					
15. MCDERMOTT, Bob					
16. THIELEN, Cynthia					
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TOTAL (16)					
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					